MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018 / 2019 SESSION

DIB5018 – INTRODUCTION TO INTERNATIONAL BUSINESS

(For Diploma Students Only)

13 MARCH 2019
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **NINE (9)** pages with **THREE (3)** sections.
2. Answer **ALL** questions.
3. For section A, shade your answers in the OMR sheet provided.
4. For section B and C, write your answers in the answer booklet provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (40 marks)

Instruction: Please shade your answers on the OMR sheet provided.

1. Which of the following is **INCORRECT** pertaining to the relevancy for today's business students to study international business and to have cross cultural literacy?

   a. International business knowledge will allow students to better assess their career opportunities.
   b. International business knowledge will enable students to interact more effectively with other business people at work.
   c. International business knowledge will ensure students to be able to keep their pace with competitors in business world.
   d. International business knowledge helps students to understand their own country's business operations.

2. Which of the following is **NOT** an intangible product?

   a. Banking services.
   b. Accounting services.
   c. Travel packages.
   d. Raw materials.

Selling of products made in one's own country for use or resale in other countries.

Statement 1

3. The above statement is explaining about _____ as one of the international business activity.

   a. importing
   b. international franchising
   c. international licensing
   d. exporting

4. Dolly Inc.'s headquarters is in Canada. Thus, Canada is the company's _____.

   a. host country
   b. home country
   c. dominant country
   d. competitive country

For Seasons Hotel in Canada hired an external management company in China to assist the hotel in terms of supervision, marketing and expertise for an agreed payment amount and terms.

Statement 2

5. The above statement is **MOST** likely related to _____.

   a. exporting
   b. international franchising
   c. international management contract
   d. importing

Continued...

6. Which of the following are the reasons for a firm to go global?

I. Location efficiencies.
II. Acquiring resources at low cost.
III. Expanding into new markets.
IV. Leveraging a firm's core competencies.

a. I, II and III.
b. I, II and IV.
c. I, III and IV.
d. II, III and IV.

7. Licensing usually involves permission to use which of the following?

a. Real estate.
b. Trademarks.
c. Labor leasing.
d. Production facilities.

8. Brazil and Russia are the examples of _____.

a. regional borders
b. emerging markets
c. communist countries
d. third world countries

9. Which of the following is **INCORRECT** pertaining to United States?

a. Political instability.
b. The prime market.
c. The World's largest economy.
d. Uses U.S. Dollar.

10. Which of the following country is **NOT** an influential member of the European Union?

a. Canada.
b. Germany.
c. France.
d. Italy.

11. Which of the following are the characteristics of Australia?

I. Rich in natural resources.
II. Extensive pasture lands.
III. Land – intensive agricultural goods.
IV. Relatively small workforce.

a. I, II and III.
b. I, II and IV.
c. I, III and IV.
d. II, III and IV.

12. In South Korea, huge companies such as Samsung and Hyundai are examples of _____.

a. chaebol
b. keiretsu
c. kaizen
d. sogo shosha

Continued...

13. Which of the following is the primary reason for Singapore to thrive in re-exporting?

a. Excellent port facilities.
b. Center for oil refining.
c. High-technology center.
d. Sophisticated financial services.

14. Hong Kong is attractive to international businesses because of the following reasons **EXCEPT** of _____ .

a. its deep and sheltered harbour
b. its role as an entry point to mainland China
c. its highly educated and highly productive labour
d. its communist leader

15. Which of the following marketplace is called as the *"cradle of civilisation"*?

a. The Four Tiger.
b. The Middle East.
c. The North America.
d. The Caribbean.

16. Which of the following countries are called as Balkan countries?

I. Albania.
II. Macedonia.
III. Bosnia and Herzegovina.
IV. Andorra.

a. I, II and III.
b. I, II and IV.
c. I, III and IV.
d. II, III and IV.

- The cumulative wisdom of judges' decisions on individual cases through history.
- Based on precedent.

Statement 3

17. The Statement 3 above is **MOST** likely related to _____.

a. Civil Law
b. Common Law
c. Religious Law
d. Bureaucratic Law

18. In which type of legal systems below that contracts can be made or broken at the whim of those in power?

a. Private Law.
b. Corporate Law.
c. Bureaucratic Law.
d. Civil Law.

Continued...

19. When a country restricting access to high-technology goods or withdrawing preferential tariff treatments, it means of using _____.

a. embargoes
b. trade limits
c. sanctions
d. extraterritoriality

20. Dual-use products are those that can be used for both _____ and _____ purposes.

a. domestic; international
b. wholesale; retail
c. civilian; military
d. profit; non-profit

21. A country that attempts to regulate business activities that are conducted outside its borders is called as _____.

a. extraterritoriality
b. repatriate
c. privatisation
d. embargoes

22. Which of the following statement is **TRUE** about expropriation?

a. Conversion of state-owned property to privately owned property.
b. Conversion of state-owned property to privately owned property with no compensation.
c. Transference of ownership of resources from private to public sector with no compensation.
d. Transference of ownership from private to public sector with compensation to private owners for their losses.

23. Which of the countries below that has the highest rate of software piracy?

a. Azerbaijan.
b. China.
c. United States.
d. Bangladesh.

The government interferes with a firm's ability to shift funds into and out of the country.

Statement 4

24. Which of the following term **BEST** describes the Statement 4 above?

a. Repatriation.
b. Transfer Risk.
c. Operating Risk.
d. Confiscation.

Continued...

25. The term _____ refers to the voluntary exchange of goods, services, assets or money between one person or organisation and another.

a. trade
b. transaction
c. sales
d. transmittal

26. Which of the following statements is **TRUE** about *"mercantilism"*?

a. A business objective is to create a well-known brand name only.
b. A country's wealth is measured by its holdings of gold and silver.
c. A country will have a comparative advantage in producing products that intensively use resources it has in abundance.
d. Most trade in manufactured goods should be between countries with similar per capita incomes.

Adam Smith developed a theory, which suggests that a country should export those goods and services for which it is more productive than other countries and import those goods and services for which other countries are more productive than it is.

Statement 5

27: Which of the theory below **BEST** describes the Statement 5 above?

a. Opportunity cost.
b. Comparative advantage.
c. Absolute advantage.
d. Competitive advantage.

28. "Taiwan exports Acer Computers to the United States and the United States exports Apple Computers to Taiwan". This is an example of _____.

a. intangible trades
b. intraindustry trade
c. interindustry trade
d. tangible trades

29. Which of the following are the stages in international product life cycle theory?

I. New product.
II. Growth product.
III. Maturity product.
IV. Standardised product.

a. I, II and III.
b. I, II and IV.
c. I, III and IV.
d. II, III and IV.

Continued...

30. _____ is a sustainable competitive advantage for a firm when its average costs decrease as the number of different products it sells increases.

a. Owning an intellectual property rights
b. Exploiting the experience curve
c. Investing in research and development
d. Achieving economies of scope

31. Which of the following is one of the elements in the theory of national competitive advantage?

a. Factor conditions.
b. Opportunity costs.
c. Equity conditions.
d. Material costs.

32. _____ signifies passive holdings of securities such as foreign stocks, bonds and other financial assets.

a. Foreign direct investment
b. Foreign portfolio investment
c. Capital investment
d. Growth investment

33. Who among the following would be the **MOST** involved with strategic planning at a company?

a. Aishah, a top-level executive.
b. Branson, a middle manager.
c. Charlie, an operational manager.
d. Deborah, a functional executive.

34. Alibaba.com has broadened its product lines in each of the countries that it enters, which enabled the company to lower down its production costs. Alibaba.com **MOST** likely benefited from _____.

a. multinational flexibility
b. economies of scale
c. location efficiencies
d. economies of scope

35. Microsoft company relies on its core competencies developed at home country to produce well-suited computer software even in foreign market. The company is **MOST** likely using the _____ strategy as its strategic alternatives.

a. multidomestic
b. home replication
c. transnational
d. global

36. Which of the following product indicates a high need for global integration?

a. Undifferentiated products.
b. Strong brand name products.
c. Strong after-sales support products.
d. Quality differentiation products.

Continued...

37. DELL has its own cutting edge technology, efficient distribution networks and superior organisational practices compared to its rivals. Which component of international strategy below is the **MOST** relevant to those characteristics?

    a. Distinctive competence.
    b. Scope of operations.
    c. Resource deployment.
    d. Focus strategy.

38. The goal of _____ is to create a situation where the whole is greater than the sum of the parts.

    a. transnational strategy
    b. economies of scale
    c. a corporation
    d. synergy

39. Which of the following is **NOT** a characteristic of objectives that a company wants to achieve?

    a. Measurable.
    b. Feasible.
    c. Time-limited.
    d. Focus.

40. A (n) _____ strategy calls for the firm to operate in several different but fundamentally related businesses, industries or markets at the same time. This strategy is the most common corporate strategy used by companies in order to strengthen its competitiveness with rivals.

    a. corporate
    b. single-business
    c. related diversification
    d. unrelated diversification

[TOTAL: 40 MARKS]

Continued...

SECTION B: FILL IN THE BLANK QUESTIONS (10 marks)

Instruction: Please refer to the table below. Write your answers in the answer booklet provided.

Inconvertible	Non-tariff barrier	Quota	Foreign trade zone	Global
Voluntary export restraint	Direct	Price	Arbitrage	Ad valorem

1. Any government regulation, policy or procedure other than a tariff that has the effect of impeding international trade is labelled as _____.

2. A(n) _____ is a promise by a country to limit its export of a good to another country to a pre-specified amount or percentage of the affected market.

3. A geographic area where imported or exported goods receive preferential tariff treatment is referred as _____ .

4. The _____ tariff is assessed as a percentage of the market value of the imported good.

5. A(n) _____ is a numerical limit on the quantity of a good that can be imported.

6. The _____ of foreign exchange is set by demand and supply in the marketplace.

7. _____ exchange rate refers to the price of the foreign currency in terms of the home currency.

8. A(n) _____ currency involves currencies that are not freely tradable.

9. _____ is the riskless purchase of a product in one market for immediate resale in a second market in order to profit from a price discrepancy.

10. A(n) _____ bond is a large, liquid financial asset that can be traded anywhere at any time.

[TOTAL: 10 MARKS]

Continued...

SECTION C: STRUCTURED QUESTIONS (50 marks)

Instruction: Please write your answers in the answer booklet provided.

QUESTION 1

(a) List **SIX (6)** differences of strategic alliances and joint venture. (6 marks)

(b) List **FOUR (4)** potential benefits and **FOUR (4)** potential pitfalls of strategic alliances. (8 marks)

(c) List at least **THREE (3)** of the functional areas that create the comprehensive alliances. (3 marks)

[TOTAL: 17 MARKS]

QUESTION 2

(a) Briefly explain the **FOUR (4)** characteristics of culture. (8 marks)

(b) List any **THREE (3)** elements of culture that defines on how its members communicate and interact with each other. (3 marks)

(c) Describe any **THREE (3)** of Hofstede's cultural dimensions. (6 marks)

[TOTAL: 17 MARKS]

QUESTION 3

(a) Define the term *"ethics"*. (2 marks)

(b) Differentiate between *"ethical behavior"* and *"unethical behavior"* and provide **ONE (1)** example for each. (4 marks)

(c) List **FOUR (4)** ways on how an organisation can treat its employees ethically. (4 marks)

(d) Briefly explain the **THREE (3)** formal dimensions on how the organisation manage its social responsibilities across borders. (6 marks)

[TOTAL: 16 MARKS]

End of Page.